



Health
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Policy



VA-DoD Sharing- Determining Charges

12 April 2011 @ 0800 - 0900

13 April 2011 @ 1400 - 1500

TMA UBO Program Office Support Team

Log into: <http://altarum.adobeconnect.com/ubo> and enter your full name, MTF location, and Service for credit from your Service.

Please note, you must also dial in for audio:

Dial in number: 877-694-5777

Participant Code: 6944507

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Objectives

- Understand the history of VA and DoD sharing
- Understand Outpatient Billing Reimbursement Methodology
- Understand the Inpatient Billing Reimbursement Methodology for Direct Sharing Agreements
- Demonstrate the VA-DoD Inpatient Institutional Payment Calculator
- Demonstrate the Pharmacy Calculator



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VA-DoD Sharing History

- Veterans Administration [now Veterans Affairs] and Department of Defense Health Resources Sharing and Emergency Operations Act (Public Law 97-174 (1983))
 - Encouraged continuation and expansion of resource sharing
 - Resulted in 1983 Memorandum of Agreement (MOA) between VA and DoD on sharing, which states the rate will take into account local conditions and actual costs



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VA-DoD Sharing History

- National Defense Authorization Act (NDAA) of 2003
 - United States Code (USC) Title 38, Section 8111 and USC Title 10, Section 1104
 - Established Joint Executive Council for governance
 - Encouraged VA and DoD joint strategic planning
 - Mandated standardized reimbursement rates for VA-DoD sharing
 - DoD Instruction 6010.23, 12 Sep 2005
 - Department of Defense and Department of Veterans Affairs Health Care Resource Sharing Program



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Goals for VA-DoD Sharing

- Leadership commitment and accountability
- High-quality health care
- Seamless coordination of benefits
- Integrated information sharing
- Efficiency of operations
- Joint medical contingency/readiness capabilities



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Outpatient Billing

Reimbursement Methodology

- No single calculator available
- Process
 - Identify procedures and provider class for each procedure
 - Go to the TRICARE reimbursement calculator
 - <http://www.tricare.mil/CMAC/ProcedurePricing/ProcPricing.aspx>
 - Look up the CMAC allowable charge for each procedure based on provider class and locality



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Outpatient Billing Reimbursement Methodology

- DoD and VA facilities will bill outpatient clinical services provided under direct sharing agreements at the CMAC, less 10% for the appropriate CPT code
- DoD and VA medical facilities will use the non-facility rates (Category 2 and 4) for outpatient visits
 - Use Category 2 for physicians and Category 4 for non-physician providers
 - There will be no additional institutional fee for the outpatient visit because it is already included in the non-facility rate
- Produce a bill with the procedures and the charges



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Outpatient Scenarios

- Established male patient, age 45, presents to Walter Reed Army Medical Center for annual physical
 - Annual exam (99396)
 - CBC, complete (85027), Basic Metabolic Panel (Calcium total) (80048)
 - Electrocardiogram (EKG) (93000)



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CMAC Procedure Pricing

CMAC
Home

**Procedure
Pricing**

Int'l Procedure
Pricing

Cross Reference
Utilities

Download All Current
CMAC Pricing

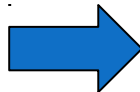
Download Current
Individual Pricing Files

CMAC Procedure Pricing

The effective dates for differing localities are reflected at the procedure code detail level. If you are not sure what you are looking for, we have some [cross-reference utilities](#) to help you. Or view the [HELP](#) page for general questions concerning CMAC.

Procedure pricing is calculated based on the **Locality Code**. Select a Locality Code for the geographic region you are querying, or you may look up locality codes by selecting a **State**, entering a **Catchment Area Code**, entering a **Zip Code**, or specifying a **Foreign Country**.

| | |
|---------------------------------------|-------------------------------------|
| Locality Code: | <input type="text" value="Select"/> |
| State: | <input type="text" value="Select"/> |
| Catchment Area: | <input type="text" value="Select"/> |
| Zip Code: | <input type="text" value="22204"/> |
| Foreign Country: | <input type="text" value="Select"/> |
| <input type="button" value="Search"/> | |





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CMAC Search Results

| | | | | | |
|-----------|-------------------|-------------------------|---------------------------|-----------------------------------|---|
| CMAC Home | Procedure Pricing | Int'l Procedure Pricing | Cross Reference Utilities | Download All Current CMAC Pricing | Download Current Individual Pricing Files |
|-----------|-------------------|-------------------------|---------------------------|-----------------------------------|---|

CMAC Search Results

State: VIRGINIA

DC + MD/VA SUBURBS

This is a list of localities associated with the search criteria you selected. Use your mouse to select a locality from the list, type in a procedure code and click on the "Show Pricing Information" button to retrieve CMAC pricing data:

Procedure Code: 99396

Show Pricing Information

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CMAC Search Results

Show Procedure History New CMAC Query Enter New Procedure Code CMAC Help

CMAC Search Results

CMAC Detail Screen for Procedure Code: 99396

Locality Code: 317

Locality Name: DC + MD/VA SUBURBS

State Code: DC

State Name: DISTRICT OF COLUMBIA

State Code: MD

State Name: MARYLAND

State Code: VA

State Name: VIRGINIA

| Procedure Code | Description |
|----------------|--------------------------|
| 99396 | PREV VISIT EST AGE 40-64 |

Effective Date: 01-Mar-11 Correction Date: N/A Term Date: N/A

CMAC for Category [1](#) \$85.47

Category of Provider: Facility Physician

CMAC for Category [2](#) \$118.57

Category of Provider: Non-Facility Physician

CMAC for Category [3](#) \$72.65

Category of Provider: Facility Non-Physician

CMAC for Category [4](#) \$100.79

Category of Provider: Non-Facility Non-Physician



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Annual Exam – 99396

- Category 2: $\$118.57 \times .9 = \106.71 OR
- Category 4: $\$100.79 \times .9 = \90.71

| Procedure Code | Description |
|----------------|--------------------------|
| 99396 | PREV VISIT EST AGE 40-64 |

Effective Date: 01-Mar-11 Correction Date: N/A Term Date: N/A

CMAC for Category [1](#) \$85.47
Category of Provider Facility Physician

CMAC for Category [2](#) \$118.57
Category of Provider Non-Facility Physician

CMAC for Category [3](#) \$72.65
Category of Provider Facility Non-Physician

CMAC for Category [4](#) \$100.79
Category of Provider Non-Facility Non-Physician

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Complete CBC Automated 85027

- Category 2: $\$10.46 \times .9 = \9.41 **or**
- Category 4: $\$10.46 \times .9 = \9.41

CMAC Search Results

PLEASE NOTE: This code is considered a Clinical Laboratory Code and the same pricing shown under Physicians is also used for Nonphysician pricing.

CMAC Detail Screen for Procedure Code: 85027

Locality Code: 317

Locality Name: DC + MD/VA SUBURBS

State Code: DC

State Name: DISTRICT OF COLUMBIA

State Code: MD

State Name: MARYLAND

State Code: VA

State Name: VIRGINIA

| Procedure Code | Description |
|----------------|------------------------|
| 85027 | COMPLETE CBC AUTOMATED |

Effective Date: 01-Mar-11 Correction Date: N/A Term Date: N/A

| | |
|-------------------------------------|----------------------------|
| CMAC for Category 1 | \$10.46 |
| Category of Provider | Facility Physician |
| CMAC for Category 2 | \$10.46 |
| Category of Provider | Non-Facility Physician |
| CMAC for Category 3 | \$0.00 |
| Category of Provider | Facility Non-Physician |
| CMAC for Category 4 | \$0.00 |
| Category of Provider | Non-Facility Non-Physician |



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Metabolic Panel Total CA 80048

- Category 2: $\$13.69 \times .9 = \12.32
- Category 4: $\$13.69 \times .9 = \12.32

PLEASE NOTE: This code is considered a Clinical Laboratory Code and the same pricing shown under Physicians is also used for Nonphysician pricing.

CMAC Detail Screen for Procedure Code: 80048

Locality Code: 317
Locality Name: DC + MD/VA SUBURBS
State Code: DC
State Name: DISTRICT OF COLUMBIA
State Code: MD
State Name: MARYLAND
State Code: VA
State Name: VIRGINIA

| Procedure Code | Description |
|----------------|--------------------------|
| 80048 | METABOLIC PANEL TOTAL CA |

Effective Date: 01-Mar-11 Correction Date: N/A Term Date: N/A

| | |
|-------------------------------------|----------------------------|
| CMAC for Category 1 | \$13.69 |
| Category of Provider | Facility Physician |
| CMAC for Category 2 | \$13.69 |
| Category of Provider | Non-Facility Physician |
| CMAC for Category 3 | \$0.00 |
| Category of Provider | Facility Non-Physician |
| CMAC for Category 4 | \$0.00 |
| Category of Provider | Non-Facility Non-Physician |

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Electrocardiogram Complete – 93000

- Category 2: $\$22.93 \times .9 = \20.64
- Category 4: $\$19.49 \times .9 = \17.54

CMAC Detail Screen for Procedure Code: 93000

Locality Code: 317

Locality Name: DC + MD/VA SUBURBS

State Code: DC

State Name: DISTRICT OF COLUMBIA

State Code: MD

State Name: MARYLAND

State Code: VA

State Name: VIRGINIA

| Procedure Code | Description |
|----------------|----------------------------|
| 93000 | ELECTROCARDIOGRAM COMPLETE |

Effective Date: 01-Mar-11 Correction Date: N/A Term Date: N/A

| | |
|----------------------|----------------------------|
| CMAC for Category 1 | \$22.93 |
| Category of Provider | Facility Physician |
| CMAC for Category 2 | \$22.93 |
| Category of Provider | Non-Facility Physician |
| CMAC for Category 3 | \$19.49 |
| Category of Provider | Facility Non-Physician |
| CMAC for Category 4 | \$19.49 |
| Category of Provider | Non-Facility Non-Physician |

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Outpatient Scenarios

- New female patient, age 65, presents to the National Naval Medical Center (Bethesda) with recurring and persistent pain in chest. Upon examination, physician completed a detailed history and examination. It appears patient has severe heartburn. As a precautionary measure, to rule out acid corrosion, will complete an esophageal acid reflux test.
 - New patient, office visit (99203)
 - Gastroesophageal reflux test (91034)



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New Patient, Office Visit – 99203

- Category 2: $\$116.54 \times .9 = \104.89
- Category 4: $\$99.06 \times .9 = \89.15

CMAC Search Results

CMAC Detail Screen for Procedure Code: 99203

Locality Code: 317

Locality Name: DC + MD/VA SUBURBS

State Code: DC

State Name: DISTRICT OF COLUMBIA

State Code: MD

State Name: MARYLAND

State Code: VA

State Name: VIRGINIA

| Procedure Code | Description |
|----------------|-----------------------------|
| 99203 | OFFICE/OUTPATIENT VISIT NEW |

Effective Date: 01-Mar-11 Correction Date: N/A Term Date: N/A

| | |
|----------------------|----------------------------|
| CMAC for Category 1 | \$82.19 |
| Category of Provider | Facility Physician |
| CMAC for Category 2 | \$116.54 |
| Category of Provider | Non-Facility Physician |
| CMAC for Category 3 | \$69.86 |
| Category of Provider | Facility Non-Physician |
| CMAC for Category 4 | \$99.06 |
| Category of Provider | Non-Facility Non-Physician |



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Gastroesophageal Reflux Test – 91034

- Physician: $\$235.01 \times .9 = \211.51
- Non-Physician: $\$226.44 \times .9 = \203.80

CMAC Component Pricing

PLEASE NOTE: Facility and Non-Facility prices for component pricing are identical, therefore, you will not see them listed separately

Procedure Code 91034
Locality Code: 317
Locality Name: DC + MD/VA SUBURBS
State Code: DC
State Name: DISTRICT OF COLUMBIA
State Code: MD
State Name: MARYLAND
State Code: VA
State Name: VIRGINIA

| Procedure Code | Description |
|----------------|------------------------------|
| 91034 | GASTROESOPHAGEAL REFLUX TEST |

| | | | | | |
|-----------------|-----------|------------------|-----------|------------|-----|
| Effective Date: | 01-Mar-11 | Correction Date: | N/A | Term Date: | N/A |
| Pricing Type | Global | Professional | Technical | | |
| Physician | \$235.01 | \$57.11 | \$177.90 | | |

| Effective Date: | | Correction Date: | | Term Date: | |
|-----------------|--|------------------|--------------|------------|--|
| Pricing Type | | Global | Professional | Technical | |
| NON-Physician | | \$226.44 | \$48.54 | \$177.90 | |



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Principles for VA-DoD Inpatient Reimbursement

- VA and DoD have agreed to reimbursement methodology for billing of inpatient care for two components:
 - Institutional
 - Professional services
- The base rate used in the TRICARE/CHAMPUS Medicare Severity Diagnosis Related Group (MS-DRG)-based payment system provides a payment amount for inpatient operating costs, including:
 - Operating costs for routine services
 - Operating costs for technical components of ancillary services
 - ER facility/ancillary services
 - Take-home drugs
 - Special care unit operating costs



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Medicare Severity Diagnosis Related Groups

- The institutional component of inpatient care is reimbursed on the basis of MS-DRGs
 - Use VA-DoD Inpatient Institutional Payment Calculator to calculate amount to be billed
- Use Healthcare Common Procedure Coding System (HCPCS) for Non-Institutional (professional and other services) not included in the MS-DRG-based payment



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MS-DRG Payment Approach

- Applies to nearly all clinical services and specialties
 - Except: Spinal Cord Injury (SCI), Traumatic Brain Injury (TBI), and Blind Rehab cases
- Applies to all inpatient sharing agreements, including joint ventures
- Allows for additional payment for cases which involve outlier days (i.e., long-stay cases)
- The VA-DoD reimbursement for a MS-DRG uses the basic TRICARE/CHAMPUS MS-DRG payment approach
 - Use CMAC rates, less a 10% discount
 - There are local agreements for the VA-DoD discount



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Adjusted Standardized Amounts

- VA-DoD Inpatient Institutional Payment Calculator uses an Adjusted Standardized Amount (ASA), the TRICARE basic national reimbursement rate for each fiscal year
 - ASA is split into labor and non-labor components
 - Labor component is used in conjunction with the area wage index for hospital-specific reimbursement calculations



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Approach to Calculation of Reimbursement

- General approach to calculation of reimbursement separates MS-DRGs into four categories:
 - Inlier cases
 - Short-stay outlier cases
 - Transfer cases
 - Long-stay outlier cases
- Each category uses a specific reimbursement formula to calculate an appropriate payment for a particular MS-DRG
- Reimbursement for non-MS-DRG patients in extended stay may be negotiated locally



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Exceptions to MS-DRG-based Component of Inpatient Care

- Services and items not included in the MS-DRG-based component of inpatient care:
 - Professional Services
 - Durable Medical Equipment
 - Ambulance Services
 - Anesthesia Professional Services
 - Purchased Care
 - Pharmaceuticals
 - Pass-Through Items
 - Other
- Services and items not included in the MS-DRG basic rate will be billed separately



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Other Payment Considerations

- Calculator does not include costs associated with Graduate Medical Education or Capital Expense Equipment
- If there is no CMAC or MS-DRG rate available for a service, a CMS rate less 10% may be substituted; however, different methodologies, such as CMAC and CMS, cannot be combined



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Data Flow and Sources

| Input | |
|------------------|----|
| LOS | 22 |
| DRG | 1 |
| Discharge Status | 63 |

Coded Inpatient Case

- MS-DRG Number
- Length of Stay
- Disposition Status Code



| Hospital S | |
|-------------------------------------|--------|
| Input | |
| Zip Code | 20879 |
| Wage index | 1.0363 |
| HEART TRANSPLANT OR SYSTEM W MCC | |



| FY 2011 Policy Information | |
|--|--------------|
| ASA | \$ 5,006.98 |
| Labor Portion | 68.80% |
| Non-Labor Portion | 31.20% |
| VA/DoD Discount | 10% |
| Payment Summary (Includes VA/DoD Discount) | |
| DRG Inlier Payment | \$117,236.37 |
| Total Payment | \$117,236.37 |



Current VA-
DoD Sharing
Agreement
Billing
Process

Modified MS-DRG Payment Calculator

- MTF Zip Code
- Area Wage Index Number

Billable Amount

- 10 % or other agreed to amount VA-DoD Discount Applied



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Modified TRICARE MS-DRG Calculator

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VA-DoD Modified drg calculator_FY2011_v1.xls [Compatibility Mode] - Microsoft Excel

Home Insert Page Layout Formulas Data Review View Developer

D6

VA/DoD Resource Sharing - Inpatient Institutional Billing
Modified TRICARE DRG Payment Calculator - For Inpatient Discharged in FY2011

Instructions for use:
a. Enter Length of Stay (LOS) in Bed Days in cell C13 of Claim Information
b. Enter DRG Number in cell C14 of Claim Information
c. Enter Disposition Status in cell C15 of Claim Information
d. Enter Zip Code of your MTF in cell C21 of Hospital Specific Information. Wage Index will automatically be looked up and filled.
e. Find Total Payment (Amount to be billed, including the VA/DoD Discount) in cell H23 of Payment Summary

| Claim Information | | | |
|-------------------------------|--------|---------------------|-------------|
| Input | | Output | |
| LOS | 60 | DRG Weight | 25.3823 |
| DRG | 1 | Geometric Mean | 29.7 |
| Discharge Status | 01 | Arithmetic Mean | 39.1 |
| | | Short LOS Threshold | 5 |
| | | Transfer Flag | 0 |
| | | Long LOS Threshold | 53 |
| Hospital Specific Information | | | |
| Input | | Output | |
| Zip Code | 01355 | | |
| Wage index | 1.0342 | Wage Adjusted ASA | \$ 5,124.79 |

HEART TRANSPLANT OR IMPLANT OF HEART ASSIST SYSTEM W MCC

| FY 2011 Policy Information | |
|-------------------------------|-------------|
| ASA | \$ 5,006.98 |
| Labor Portion | 68.80% |
| Non-Labor Portion | 31.20% |
| VA/DoD Discount | 10% |
| Long LOS Marginal Cost Factor | 0.33 |

| Payment Summary (Includes VA/DoD Discount) | |
|--|---------------|
| DRG Inlier Payment | \$ 117,071.11 |
| Short Stay Outlier Payment | \$ - |
| Long-Stay Outlier Payment | \$ 9,105.53 |
| Transfer Payment | \$ - |
| Total Payment | \$ 126,176.64 |

| Payment Details (Excludes VA/DoD Discount) | |
|--|--|
| Wage Adjusted ASA | = [ASA*Labor Portion*Wage index+ASA* Non-Labor Portion] = [\$5,006.98*0.688+1.0342*\$5,006.98*0.312] = \$ 5,124.79 |
| Inlier DRG payment | = DRG Weight*Wage Adjusted ASA = 25.3823*\$5,124.79 = \$ 130,079.01 |
| Short LOS Outlier Payment (Not a Short LOS Outlier) | = minimum of [2*LOS*(Inlier DRG Payment/Arithmetic Mean LOS) OR Inlier DRG Payment] = minimum of [2*60*(\$130,079.01/39.1) OR \$130,079.01] = \$ - |
| Per diem | = Inlier DRG Payment/Geometric Mean = \$130,079.01/29.7 = \$ 4,379.76 |
| Long-Stay Outlier Payment | = maximum of [Long LOS Marginal Cost Factor*Per diem*(LOS-Long LOS Threshold)] OR \$0.00 = maximum of [0.33*\$4,379.76*(60-53)] OR \$0.00 = \$ 10,117.26 |
| DRG payment | = Inlier DRG payment = \$130,079.01 = \$ 130,079.01 |

MS-DRG
Calculator
Portion

Calculation
Details



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VA-DoD Inpatient Institutional Payment Calculator

Parts of the calculator

- Input
 - MS-DRG
 - Length of Stay (LOS)
 - Disposition Status (Code)
 - Zip Code/Area Wage Index Number
 - VA-DoD discount, 10% or per local agreement
- Output
 - Amount to be billed, includes 10% or local discount



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VA-DoD Inpatient Institutional Payment Calculator: Overview

| | | | | | | | |
|----|--|--------|----------------|---------|------|--|--|
| 1 | VA/DoD Resource Sharing - Inpatient Institutional | | | | | | |
| 2 | Modified TRICARE DRG Payment Calculator - For | | | | 2011 | | |
| 3 | | | | | | | |
| 4 | Instructions for use: | | | | | | |
| 5 | a. Enter Length of Stay (LOS) in Bed Days in cell C13 of Claim Information | | | | | | |
| 6 | b. Enter DRG Number in cell C14 of Claim Information | | | | | | |
| 7 | c. Enter Disposition Status in cell C15 of Claim Information | | | | | | |
| 8 | d. Enter Zip Code of your MTF in cell C21 of Hospital Specific Information. Wage Index will automatically be looked up and filled. | | | | | | |
| 9 | e. Find Total Payment (Amount to be paid) in cell H23 of Payment Summary | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | Input | | Output | | | | |
| 13 | LOS | 60 | DRG Weight | 25.3823 | | | |
| 14 | DRG | 1 | Geometric Mean | 29.7 | | | |
| 15 | Discharge Status | 01 | | | | | |
| 16 | | | | | | | |
| 17 | | | | | | | |
| 18 | | | | | | | |
| 19 | Hospital Specific Information | | | | | | |
| 20 | Input | | Output | | | | |
| 21 | Zip Code | 01355 | | | | | |
| 22 | Wage index | 1.0342 | | | | | |
| 23 | HEART TRANSPLANT OR IMPLANT OF HEART ASSIST SYSTEM | | | | | | |
| 24 | | | | | | | |
| 25 | | | | | | | |

Instruction

S

Policy Information

n

Case-Specific Inputs

Hospital-Specific Inputs

Case-Specific Output

FY 2011 Policy Information

| | |
|-------------------------------|-------------|
| ASA | \$ 5,006.98 |
| Labor Portion | 68.80% |
| Non-Labor Portion | 31.20% |
| VA/DoD Discount | 10% |
| Long LOS Marginal Cost Factor | 0.33 |

Payment Summary (includes VA/DoD Discount)

| | |
|----------------------------|---------------|
| DRG Inlier Payment | \$ 117,071.11 |
| Short Stay Outlier Payment | \$ - |
| Long-Stay Outlier Payment | \$ 9,105.53 |
| Total Payment | \$ 126,176.64 |



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VHA-DoD Inpatient Institutional Payment Calculator: Inputs

- Case-Specific
 - Length of Stay (LOS)
 - MS-DRG Number
 - Entering the MS-DRG code will pre-populate the MS-DRG code name as well as the MS-DRG weight
 - Disposition Status Code



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VA-DoD Inpatient Institutional Payment Calculator: Inputs

Disposition Status Codes Used in the VA-DoD Inpatient Institutional Payment Calculator

- 01 = Home, self-care
- 02 = Short term hospital
- 03 = Skilled Nursing Facility (SNF)
- 04 = Intermediate Care Facility (ICF)
- 05 = Other facility
- 06 = Home Health Service
- 07 = Left Against Medical Advice (AMA)
- 20 = Died
- 30 = Still a Patient
- 50 = Hospice-Home
- 51 = Hospice-Medical Facility
- 61 = Swing Bed
- 62 = Rehab Facility/Rehab Unit
- 63 = Long Term Care Hospital
- 65 = Psychiatric Hospital or Unit
- 66 = Discharge/Transfer to Critical Access Hospital (CAH)
- 71 = OP Services - Other Facility
- 72 = OP Services - This Facility



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VHA-DoD Inpatient Institutional Payment Calculator: Inputs

| | | | | |
|----|--|--------|---------------------|-------------|
| 11 | Claim Information | | | |
| 12 | Input | | Output | |
| 13 | LOS | 20 | DRG Weight | 1.3600 |
| 14 | DRG | 281 | Geometric Mean | 2.6 |
| 15 | Discharge Status | 01 | Arithmetic Mean | 3.3 |
| 16 | | | Short LOS Threshold | 1 |
| 17 | | | Transfer Flag | 0 |
| 18 | | | Long LOS Threshold | 18 |
| 19 | Hospital Specific Information | | | |
| 20 | Input | | Output | |
| 21 | Zip Code | 01355 | | |
| 22 | Wage index | 1.0342 | Wage Adjusted ASA | \$ 5,124.79 |
| 23 | ACUTE MYOCARDIAL INFARCTION, DISCHARGED ALIVE W CC | | | |
| 24 | | | | |
| 25 | | | | |

Case-Specific User Inputs:

1.LOS

2.MS-DRG

3.Disposition Status



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VA-DoD Inpatient Institutional Payment Calculator: Inputs

- Hospital-Specific
 - MTF Zip code
 - Entering the MTF code will pre-populate the Area Wage Index
 - A Zip_2_Wage look-up table is provided as part of the VA-DoD Inpatient Institutional Payment Calculator workbook
 - Area Wage Index
 - Applied for the physical location (i.e., Zip code) of the hospital that treats the patient
 - Adjusts the Labor portion of the payment amount to the level of local wages for the hospital location
 - Is a constant number for each fiscal year for a given hospital



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Zip_2_Wage Look Up FY2011

- Zip_2_Wage Look Up is located on the second worksheet
- References Zip codes (Column A) with Area Wage Index (Column E)

VA-DoD Modified drg calculator_FY2011

| | A | B | C | D | E | F |
|----|---|--------------|------------|-------|------------|------------|
| 1 | VA/DoD Resource Sharing Program | | | | | |
| 2 | Inpatient Institutional Billing | | | | | |
| 3 | Area Wage Index Number Look-Up Table - FY2011 | | | | | |
| 4 | | | | | | |
| 5 | Note: To use this table locate the zip code of the physical location of the | | | | | |
| 6 | provider hospital in column A (Zip Code) and find the associated Area | | | | | |
| 7 | Wage Index Number for that hospital in column E (Wage Index). | | | | | |
| 8 | Zip Code | State Abbrev | State Code | CBSA | Wage Index | Urban Code |
| 9 | 00501 | NY | 33 | 35004 | 1.2529 | 2 |
| 10 | 00544 | NY | 33 | 35004 | 1.2529 | 2 |
| 11 | 00601 | PR | 40 | 40 | 0.3368 | 2 |
| 12 | 00602 | PR | 40 | 10380 | 0.3368 | 2 |
| 13 | 00603 | PR | 40 | 10380 | 0.3368 | 2 |
| 14 | 00604 | PR | 40 | 10380 | 0.3368 | 2 |
| 15 | 00605 | PR | 40 | 10380 | 0.3368 | 2 |
| 16 | 00606 | PR | 40 | 40 | 0.3368 | 2 |
| 17 | 00610 | PR | 40 | 10380 | 0.3368 | 2 |
| 18 | 00611 | PR | 40 | 40 | 0.3368 | 2 |
| 19 | 00612 | PR | 40 | 41980 | 0.4281 | 2 |
| 20 | 00613 | PR | 40 | 41980 | 0.4281 | 2 |
| 21 | 00614 | PR | 40 | 41980 | 0.4281 | 2 |
| 22 | 00616 | PR | 40 | 41980 | 0.4281 | 2 |
| 23 | 00617 | PR | 40 | 41980 | 0.4281 | 2 |
| 24 | 00622 | PR | 40 | 41900 | 0.4548 | 2 |
| 25 | 00623 | PR | 40 | 41900 | 0.4548 | 2 |
| 26 | 00624 | PR | 40 | 49500 | 0.3527 | 2 |

Zip_2_Wage Look Up- FY2011



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VA-DoD Inpatient Institutional Payment Calculator: Inputs



- By entering the MTF Zip code, the MS-DRG Calculator will automatically look up the Area Wage Index from the “Zip_2_Wage Look Up – FY2011” worksheet

| VA-DoD Modified drg calculator_FY2011_v1.xls [Compatibility Mode] - Microsoft Excel | | | |
|---|--|---|-------------------------|
| Home Insert Page Layout Formulas Data Review View Developer | | | |
| A21 Zip Code | | | |
| | A | B | C |
| 17 | | | Transfe |
| 18 | | | Long L |
| 19 | Hospital Specific Information | | |
| 20 | Input | | |
| 21 | Zip Code | ⇒ | 01355 |
| 22 | Wage index | | 1.0342 Wage |
| 23 | ACUTE MYOCARDIAL INFARCTION, DISCHARGED ALIVE W CC | | |
| 24 | | | |
| 25 | | | |
| 26 | Pay | | |
| 27 | Wage Adjusted ASA | = | [ASA*Labor Portion*Wa |
| 28 | | = | [\$5,006.98*0.688*1.034 |
| 29 | | = | \$ 5,124.79 |
| 30 | | | |
| 31 | Inlier DRG payment | = | DRG Weight*Wage Adj |
| 32 | | = | 1.3600*\$5,124.79 |
| 33 | | = | \$ 6,969.72 |



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VA-DoD Inpatient Institutional Payment Calculator: Inputs

- VA-DoD Discount input
 - Standard 10% discount
 - Local agreed discount

| G | | H | |
|-------------------------------|--|----|----------|
| | | | |
| FY 2011 Policy Information | | | |
| ASA | | \$ | 5,006.98 |
| Labor Portion | | | 68.80% |
| Non-Labor Portion | | | 31.20% |
| VA/DoD Discount | | | 10% |
| Long LOS Marginal Cost Factor | | ⇒ | 0.33 |



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VA-DoD Inpatient Institutional Payment Calculator: Policy

| G | H |
|--|-------------|
| FY 2011 Policy Information | |
| ASA | \$ 5,006.98 |
| Labor Portion | 68.80% |
| Non-Labor Portion | 31.20% |
| VA/DoD Discount | 10% |
| Long LOS Marginal Cost Factor | 0.33 |
| Payment Summary (Includes VA/DoD Discount) | |
| DRG Inlier Payment | \$ 6,272.75 |
| Short Stay Outlier Payment | \$ - |
| Long-Stay Outlier Payment | \$ 1,592.31 |
| Transfer Payment | \$ - |
| Total Payment | \$ 7,865.06 |

- Payment Policy Summary:
 - ASA Rates depend on Area Wage Index split into:
 - Labor = if AWI ≤ 1 , then 62%; otherwise 68.8%
 - Non-Labor = if AWI ≤ 1 , then 38%; otherwise 31.2%
- VA-DoD Resource Sharing Discount = 10% or local agreed discount
- Long-stay marginal cost factor = 33%
 - Calculated per diem amount



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VA-DoD Inpatient Institutional Payment Calculator: Billable

- The billable amount is the case-specific output
 - The output is produced automatically calculated based on what the user enters:
 - LOS
 - MS-DRG
 - Disposition Status Code
 - MTF Zip Code
 - 10% or local agreed discount

| G | H |
|--|-------------|
| FY 2011 Policy Information | |
| ASA | \$ 5,006.98 |
| Labor Portion | 68.80% |
| Non-Labor Portion | 31.20% |
| VA/DoD Discount | 10% |
| Long LOS Marginal Cost Factor | 0.33 |
| Payment Summary (Includes VA/DoD Discount) | |
| DRG Inlier Payment | \$ 6,272.75 |
| Short Stay Outlier Payment | \$ - |
| Long-Stay Outlier Payment | \$ 1,592.31 |
| Transfer Payment | \$ - |
| Total Payment | \$ 7,865.06 |



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Inpatient Scenario #1

- 30 y.o. pregnant female is admitted to Brooke AMC- Ft. Sam Houston with:
 - High Blood Pressure
 - Gestational diabetes
- Admitted for a total of 4 days for complications and delivery. After the delivery the patient was discharged home.



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Inpatient Scenario #1

- DRG code: 774- Vaginal delivery with Complicating Diagnoses
- LOS- 4 days
- Discharge status: 01- Home
- BAMC- Ft. Sam Houston Zip code: 78234
 - Area Wage Index: 0.9030
- VA/DoD Discount: 10%
- Total payment: \$2,100.70



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Inpatient Scenario #2

- 39 y.o. male admitted for an allogeneic bone marrow transplant at Walter Reed AMC-Washington, DC.
- Patient is hospitalized for 23 days for post-transplant care and follow-up. Following the transplant, the patient was diagnosed with an invasive fungal infection and was further hospitalized for 40 days. The patient recovered from the infection and was discharged after hospitalization.



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Inpatient Scenario #2

- DRG code: 014- Allogeneic Bone Marrow Transplant
- LOS- 63 days
 - Avg LOS= 49
- Discharge status: 01- Home
- Walter Reed AMC- Washington, DC: 20307
 - Area Wage Index: 1.0528
- VA/DoD Discount: 10%
- Total payment: \$71,061.31
 - Inlier Payment: \$60,161.47
 - Long Stay Outlier Payment- \$10,899.84



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Pharmacy Calculator

- The calculator requires the input of the following information:
 - National Drug Code (NDC) or Drug Name
 - Quantity of the drug
- Calculator allows you to search for the 11-digit NDC
- Display:
 - Shows the name of the drug, brand-name or generic
 - Dosage form (i.e. each, strip, infusion sets, etc.)
 - Unit Measure (i.e. gm, ML, each, etc.)
 - Total Price
- The calculator automatically applies the dispensing fee, which is \$9.00



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Choose
Drug or
NDC

Pharmacy Calculator

TMA
Uniform
Business
Office

DoD VA Sharing Pharmacy Pricing Estimator (as of September 1, 2010) - DoD VA Sharing Pharmacy

Home

Clipboard Copy

Font

Refresh All Save Delete

Records

Spelling More

Selection Advanced Toggle Filter

Size to Fit Form Switch Windows

Find Find

Drug Information Input

☒ DRUG NAME ☐ NDC

Drug: Qty:

Enter Drug/NDC and Qty

Dosage

Total Price

| DRUG(Generic Or Brand) | DRUG(Generic) | DOSAGE FORM | UNIT MEASURE | TOTAL PRICE |
|--------------------------------|----------------------------|-------------------------|--------------|-------------|
| ACCU-CHEK III DIABETES METR | BLOOD-GLUCOSE METER | EACH | EA | |
| ACCU-CHEK INSTANT PLUS STRIP | BLOOD SUGAR DIAGNOSTIC | STRIP | EA | |
| ACCU-CHEK INSTANT TEST STRP | BLOOD SUGAR DIAGNOSTIC | STRIP | EA | |
| ACCU-CHEK INSTANTPLUS SOLN | DIABETIC SUPPLIES,MISCELL | COMBINATION PACKAGE | EA | |
| ACCU-CHEK LINKASSIST | SUB-Q INFUSION PUMP ACCESS | EACH | EA | |
| ACCU-CHEK MULTICLIX LANCET | LANCETS | EACH | EA | |
| ACCU-CHEK MULTICLIX LANCET KIT | LANCING DEVICE/LANCETS | KIT | EA | |
| ACCU-CHEK MULTICLIX LANCETS | LANCETS | EACH | EA | |
| ACCU-CHEK PROTECTIVE COVER | SUB-Q INFUSION PUMP ACCESS | EACH | EA | |
| ACCU-CHEK RAPID D 10-110 | SUB-Q ADMINISTRATION SET | INFUSION SETS-PARAPHERN | EA | |
| ACCU-CHEK RAPID D 10-60 | SUB-Q ADMINISTRATION SET | INFUSION SETS-PARAPHERN | EA | |
| ACCU-CHEK RAPID D 10-80 | SUB-Q ADMINISTRATION SET | INFUSION SETS-PARAPHERN | EA | |
| ACCU-CHEK RAPID D 6-110 | SUB-Q ADMINISTRATION SET | INFUSION SETS-PARAPHERN | EA | |
| ACCU-CHEK RAPID D 6-60 | SUB-Q ADMINISTRATION SET | INFUSION SETS-PARAPHERN | EA | |

Find NDCs Reset Print Exit

Drug Name

VA/DoD
Policy

Prices displayed in this tool are based on the full reimbursement rates approved by Uniform Business Office Program Office. The prices actually charged may vary based on DoD agreements in effect at the time the prescription is filled.

The DoD VA Sharing Pharmacy Estimator Tool estimates the charge for a given prescription based on several characteristics (i.e., active ingredient, drug strength, dose form, etc.). To estimate the charge for a pharmaceutical, please enter in either the "drug name" (i.e., Allegra, Flonase, Zocor), or the NDC Number (an 11-digit unique drug identifier), and the quantity to be dispensed (i.e., 30, 60, 90). If you enter the drug name, the tool will display the charges for that drug at each level of drug strength in the system. You will then need to choose the correct drug strength from the list (i.e., 10MG, 20MG, 40MG). If you enter the NDC, the system will display the charge for that NDC and quantity. The charge displayed represents the unit price of the drug, multiplied by the quantity to be dispensed and plus \$9.00 dispensing fee.

Example: For Allegra 180 mg tablet, (Unit Price of Allegra \$1.18 x 30 tablets) + Dispensing fee \$9.00 = Total price \$44.40



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Pharmacy Calculator Scenario #1

- A patient is being treated for an infection and the physician has prescribed 500 mg capsules of Amoxicillin for a two week period BID
 - Do we have a NDC?
 - **No**: Then we can run a search by drug name a dosage
 - **Yes**: We can enter the NDC, in this case the NDC is 0029600732.
 - What is our quantity?
 - The treatment course is 14 days and the patient needs to take it twice a day
 - Our quantity will be 28 capsules



The total cost for the two-week BID course of Amoxicillin is \$10.68, including the \$9.00 dispensing fee.



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Pharmacy Calculator Scenario #2

- A patient is being treated for hypercholesterolemia and is prescribed 20 mg of Lipitor once a day for a month.
 - Do we have a NDC?
 - For this example, we do not have a NDC.
 - What is our quantity?
 - Treatment is for a month
 - Our quantity is 30 tablets for the month



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Pharmacy Calculator Scenario #2

DoD VA Sharing Pharmacy Pricing Estimator (as of Septe

Home

Clipboard: Paste, Cut, Copy
Font: B, I, U, A, [Color], [Size], [Align], [List]
Rich Text: [List], [List], [List], [List], [List], [List]
Records: Refresh All, New, Save, Delete, Spelling, More
Sort & F: Select, Adv, Togg

Drug Information Input

☒ DRUG NAME ☐ NDC

Drug: Lipitor Qty: 30 Submit

| DRUG(Generic Or Brand) | DRUG(Generic) | DOSAGE FORM | UNIT MEASURE | TOTAL PRICE |
|------------------------|----------------------|-------------|--------------|-------------|
| LIPITOR 10 MG TABLET | ATORVASTATIN CALCIUM | TABLET | EA | \$50.10 |
| LIPITOR 20 MG TABLET | ATORVASTATIN CALCIUM | TABLET | EA | \$67.80 |
| LIPITOR 40 MG TABLET | ATORVASTATIN CALCIUM | TABLET | EA | \$67.80 |
| LIPITOR 80 MG TABLET | ATORVASTATIN CALCIUM | TABLET | EA | \$67.80 |

The total cost for the month long course of Lipitor is \$67.80, including the \$9.00 dispensing fee.



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Questions?

Please contact the UBO Helpdesk if you have any questions or concerns at (703) 575-5385 or UBO.helpdesk@altarum.org.

